

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

DOCKET NO. R97-1

## FLORIDA GIFT FRUIT SHIPPERS ASSOCIATION MOTION TO COMPEL UNITED STATES POSTAL SERVICE TO PROVIDE RESPONSE TO INTERROGATORY FGFSA/USPS-T2-12(A) AND (C)

September 19, 1997

On September 3, 1997, Florida Gift Fruit Shippers Association (FGFSA) filed an interrogatory to United States Postal Service (USPS), being FGFSA/USPS-T2-12, a copy of which is attached.

On September 15, 1997, USPS filed its Objection to portions of that interrogatory. A copy of the objection is attached.

The objection is founded on two issues - relevance and significant burden of responding.

### RELEVANCE

Witness Bradley, USPS-T-13, finds that the costs for Inter-BMC and Intra-BMC purchased transportation to be attributable in excess of 90%. Utilization of the purchased transportation is pertinent to the proper evaluation of the extent of

attribution. A time series view of the utilization further demonstrates the extent of use of purchased transportation.

In Docket No. R80-1, the Postal Service presented a latent capacity hypothesis in support of a proposal to change the method used to distribute the cost of purchased transportation. In PRC Op. R80-1, Vol. 1, page 185, it was held: "After considering the effect that unused capacity has on transportation costs, the Commission decided that unused capacity should not distort the relationship between cost and volume if a reasonable period of time is examined." (underscoring supplied). It further stated, at page 187: "Looking at the Postal Service's entire transportation system, or even any particular route over a period of one to four years, it appears that capacity and therefore costs change in response to changes in volumes regardless of the presence of the unused capacity the Postal Service describes as unpredictable." (underscoring supplied)

Again, in Docket No. R84-1, the Postal Service renewed its presentation for a reduction in variability tied to the unutilized capacity. The Commission found that: "Having considered the issue again on this record, we find that capacity, which includes both utilized and unutilized portions, is directly related to volume, if a reasonable time period is examined." (underscoring supplied) PRC. Op. R84-1, page 244, paragraph 3289.

Thus, it is clearly relevant to have the information concerning the utilization of purchased transportation over a period of years. It is essential to

have this data if any meaningful analysis is to be made for the attribution of purchased transportation costs.

#### BURDEN OF RESPONDING

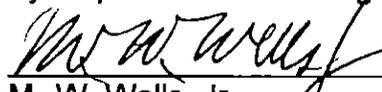
The objection states: "In order to provide a response, witness Nieto would be required to locate and compile the requested information, and compute data from four fiscal years into the requested calculations." The Postal Service does not show how much time would be required to respond.

The computations have already been made in the TRACS program for each year. The only work required is to look at the TRACS data for each year and record the information. This cannot be a time-consuming function, and requires no computations by the witness. The information is readily available to the Postal Service from TRACS, and is not otherwise available to any party of the Commission.

#### SUMMARY

The information requested by the interrogatory is pertinent to the issues, available only from the Postal Service, and available without the expenditure of any significant time or resources.

FGFSA respectfully requests the Commission to enter an Order requiring the Postal Service to fully and timely respond to the interrogatory.

  
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M. W. Wells, Jr.  
Maxwell W. Wells, Jr., P.A.  
105 E. Robinson Street, Suite 201  
P. O. Box 3628  
Orlando, Florida 32802  
Attorney for FGFSA

FGFSA/USPS-T2-12.

Please confirm that TRACS data are used to estimate on a quarterly basis the percentage of capacity utilized with respect to the four different highway accounts.

- a. Confirm that the TRACS data for the highway capacity utilization factors for FY 1995 is accurately reflected in the following table.

Highway Capacity Utilization Factors

	FY 1995			
	PQ1	PQ2	PQ3	PQ4
<b>Intra-SCF</b>	<b>39.4%</b>	<b>39.3%</b>	<b>39.7%</b>	<b>35.4%</b>
Test Conducted At:				
Inbound SCF	43.5%	37.7%	37.1%	33.4%
Inbound Other	29.2%	31.6%	32.3%	27.3%
Outbound SCF	48.8%	47.2%	52.9%	45.8%
Outbound Other (a.m.)	50.2%	52.7%	47.6%	45.8%
Outbound Other (p.m.)	25.4%	27.5%	28.4%	24.8%
<b>Inter-SCF</b>	<b>49.6%</b>	<b>43.4%</b>	<b>45.3%</b>	<b>40.3%</b>
Test Conducted At:				
BMC	49.5%	40.6%	41.9%	32.5%
SCF	53.3%	49.7%	51.3%	49.0%
Other	46.0%	40.1%	42.5%	39.4%
<b>Intra-BMC</b>	<b>57.7%</b>	<b>59.7%</b>	<b>60.2%</b>	<b>52.0%</b>
Test Conducted At:				
BMC	42.0%	42.1%	40.2%	37.7%
Inbound SCF	64.2%	54.8%	61.4%	48.6%
Inbound Other	50.9%	66.3%	57.1%	47.8%
Outbound SCF	74.9%	72.1%	74.7%	67.2%
Outbound Other	56.3%	63.1%	67.5%	58.5%
<b>Inter-BMC</b>	<b>64.1%</b>	<b>73.0%</b>	<b>66.3%</b>	<b>69.9%</b>
Test Conducted At:				
BMC	68.9%	68.7%	65.5%	64.2%
SCF	67.5%	69.0%	59.9%	68.5%
Other	56.0%	81.4%	73.6%	77.2%

- b. Provide a similar table showing the highway capacity utilization factors for FY96.
- c. Provide comparable capacity utilization data for each of the FYs from 1990 through 1994.

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

OBJECTION OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES FGFS/USPS-T2-12(A) AND (C)  
(September 15, 1997)

The United States Postal Service hereby objects to interrogatories FGFS/USPS-12(a) and (c), filed on September 3, 1997. The interrogatories refer to a table of highway capacity utilization factors for purchased transportation for FY 1995, which was filed in response to an interrogatory in Docket No. MC97-2. Interrogatory FGFS/USPS-12(a) requests that witness Nieto confirm that the data referred to are accurately presented;<sup>1</sup> FGFS/USPS-T2-12(c) asks that witness Nieto "provide comparable capacity utilization data for each of the Fys from 1990 through 1994." The Postal Service objects to each of these interrogatories on the basis of relevance to the issues in this proceeding.

The Florida Gift Fruit Shippers Association (FGFS) filed a discovery request seeking the information sought by FGFS/USPS-T2-12(c) in Docket No. MC97-2. *See Florida Gift Fruit Shippers Association Interrogatories to United States Postal Service Witness: Philip A. Hatfield, FGFS/USPS-T6-1-14* (March 15, 1997). The Postal Service objected to the interrogatory in that proceeding, as it does here, on grounds of relevance. *See United States Postal Service Objection or, in the Alternative, Motion to be Excused from Answering Interrogatories FGFS/USPS-T6-3(B), 7(A),*

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<sup>1</sup> The interrogatories, as originally served upon the Postal Service, did not include the table referred to in the question. Counsel for FGFS provided a copy of the table to the Postal Service for the witness's review.

8, and 9(B) *in Lieu of Objection* (March 27, 1997), on the grounds of relevance. FGFSAs did not move to compel a response to the discovery request in Docket No. MC97-2. The Postal Service hereby renews its objection.

The base year in this docket is FY 1996. Interrogatory FGFSAs/USPS-T2-12(a) seeks confirmation of figures from the fiscal year preceding the base year, none of which are related to this proceeding. Interrogatory FGFSAs/USPS-T2-12(c) seeks historical information which is neither relied upon by any of the Postal Service's witnesses, nor is it used as part of the Postal Service's evidentiary presentation in this proceeding. Information responsive to each of these discovery requests is clearly irrelevant to the issues currently before the Commission.

This clear lack of relevance is coupled with the significant burden inherent in responding to interrogatory FGFSAs/USPS-T2-12(c).<sup>2</sup> In order to provide a response, witness Nieto would be required to locate and compile the requested information, and compute data from four fiscal years into the requested calculations. According to Presiding Officer's Ruling No. R90-1/34, the "lack of reliance by the Postal Service logically should enter into the balancing equation when considering what discovery burden was warranted." *Presiding Officer's Ruling No. R90-1/34*, at 3. It is the position of the Postal Service that the complete lack of reliance in this

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<sup>2</sup> Because the burden involved in providing a response to FGFSAs/USPS-T2-12(a) is substantially less than that described for providing answers to FGFSAs/USPS-T2-12(c), the Postal Service will be filing a response on September 17, the due date for interrogatory responses. In doing so, however, the Postal Service does not concede the relevance of the material provided.

docket upon the information requested, coupled with the burden involved in providing it, should excuse the Postal Service from providing it.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

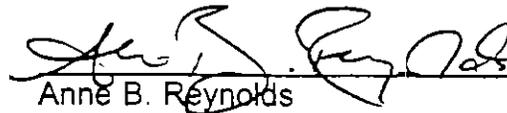
By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Anne B. Reynolds

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

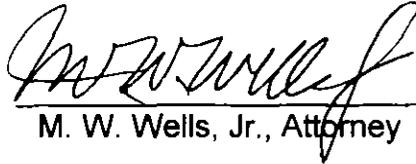
  
Anne B. Reynolds

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2970; Fax -5402  
September 15, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding on this date in accordance with Section 12 of the Rules of Practice and Procedure.

Dated : September 19, 1997

  
M. W. Wells, Jr., Attorney